

<b>Guide for Review of National Objective of Low- and Moderate-Income Housing</b>			
<b>Name of Program Participant:</b>			
<b>Staff Consulted:</b>			
<b>Activity Name, Number and Brief Description:</b>			
<b>Name(s) of Reviewer(s)</b>		<b>Date</b>	

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance (**except for question 8.d**). All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

**Instructions:** Use this Exhibit for activities that are classified by the program participant as meeting the national objective of providing housing to low- and moderate-income persons. One Exhibit is to be completed for each activity reviewed. The Exhibit is divided into six sections: Classification and Property Information; Written Agreements; Owner-Occupied Structures; Rental Buildings; Multi-Family Structures; and Report Validation and Verification.

**Questions:**

A. CLASSIFICATION AND PROPERTY INFORMATION

1.

Which eligibility category (570.201 – 570.204) was used by the program participant to classify the activity?
<b>Describe Basis for Conclusion:</b>

Exhibit 3-4  
CDBG Entitlement Program

2.

a. Does the property contain existing housing units or structures?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
<b>Describe Basis for Conclusion:</b>		

b. If the property has no structures, describe how the program participant will ensure that the national objective criteria will be met when the property is developed. [24 CFR 570.208(a)(3) and 24 CFR 570.506(b)(4)(v)]
<b>Describe Basis for Conclusion:</b>

B. WRITTEN AGREEMENT(S) (NOTE: If the activity involves only owner-occupied housing, skip to Section C.)

3.

a. Has the program participant entered into a written agreement with a landlord or developer receiving CDBG assistance for development of the property? [24 CFR 570.506(b)(4)(i)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
<b>Describe Basis for Conclusion:</b>		

b. Does the written agreement indicate the total number of dwelling units in each structure and the total number of units that will be occupied by low- and moderate-income households following the completion of the assisted activity? [24 CFR 570.506(b)(4)(i)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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<b>Describe Basis for Conclusion:</b>
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c. Does the program participant have a reporting mechanism to ensure that the activity will comply with the occupancy requirements?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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<b>Describe Basis for Conclusion:</b>
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C. OWNER-OCCUPIED STRUCTURES

4.

a. Does the assisted activity involve owner-occupied structures? (If “no”, skip to Section D. <u>Rental Structures</u> .)	<input type="checkbox"/> <input type="checkbox"/> Yes No
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<b>Describe Basis for Conclusion:</b>
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Exhibit 3-4  
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b. Does the documentation show that each assisted structure met the requirements for occupancy by low- and moderate-income households? [24 CFR 570.208(a)(3) and 570.506(b)(4)(iii)]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b> <div style="height: 100px; border: 1px solid black;"></div>	

c. Were the appropriate Section 8 income limits and household size used to determine if the units are occupied by low- and moderate-income households? [24 CFR 570.506(b)(4)(iii)]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b> <div style="height: 100px; border: 1px solid black;"></div>	

D. RENTAL BUILDINGS

5.

a. Does the assisted activity involve rental buildings? If “no”, skip to Section E. <u>Multifamily Structures.</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b> <div style="height: 100px; border: 1px solid black;"></div>	

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<p>b. Does the program participant's documentation contain the amount of rent charged (or to be charged for unfinished projects) <u>after assistance</u> for each dwelling unit occupied by a low- and moderate-income household in each assisted structure? [24 CFR 570.208(a)(3) and 24 CFR 570.506(b)(4)(iv)(A)]</p>	<table border="1"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

<p><b>Describe Basis for Conclusion:</b></p>
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<p>c. Does the program participant's documentation contain the affordable rents criteria? [24 CFR 570.208(a)(3) and 24 CFR 570.506(b)(4)(iv)(A) and (B)]</p>	<table border="1"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

<p><b>Describe Basis for Conclusion:</b></p>
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<p>d. Do the rents for the units occupied by low- and moderate-income households meet the program participant's affordability standard? [24 CFR 570.208(a)(3) and 24 CFR 570.506(b)(4)(iv)(B)]</p>	<table border="1"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

<p><b>Describe Basis for Conclusion:</b></p>
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6.

<p>a. Is there more than one rental building being assisted?</p>	<table border="1"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

<p><b>Describe Basis for Conclusion:</b></p>
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b. If the response to “6.a.” above is “yes,” is the program participant treating the two or more rental buildings as one structure?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes    No    N/A</b>
<b>Describe Basis for Conclusion:</b> <div style="height: 40px; border: 1px solid black;"></div>	

c. If the response to “6.b.” above is “yes,” are the buildings: <ul style="list-style-type: none"> <li>under common ownership and management AND</li> <li>located on the same or contiguous properties?</li> </ul> [24 CFR 570.208(a)(3)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes    No    N/A</b>
<b>Describe Basis for Conclusion:</b> <div style="height: 80px; border: 1px solid black;"></div>	

7.

Does the documentation show that at least 51 percent of the rental units were initially occupied by low- and moderate-income households? [24 CFR 570.208(a)(3) and 24 CFR 570.506(b)(4)(iii)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes    No    N/A</b>
<b>Describe Basis for Conclusion:</b> <div style="height: 100px; border: 1px solid black;"></div>	

E. MULTI-FAMILY STRUCTURES

8.

a. Does the assisted activity involve multi-family structures? (If “no”, skip to Section F. <u>Report Validation and Verification.</u> )	<input type="checkbox"/> <input type="checkbox"/> <b>Yes    No</b>
<b>Describe Basis for Conclusion:</b> <div style="height: 100px; border: 1px solid black;"></div>	

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b. If the assisted activity is a two-unit structure, was at least one unit initially occupied by a low- and moderate-income household? [24 CFR 570.208(a)(3)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes    No    N/A
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**Describe Basis for Conclusion:**

c. For structures with more than two units, complete the following table:			
Structure Name or Address/Number	Number of Units in Structure	Number of Units Occupied by L/M Households	% of Units in Structure Occupied by L/M Households

d. For “c” above, were at least 51 percent of the units initially occupied by low- and moderate-income households? <b>Note:</b> If the answer to this question is “no,” but there is evidence that the activity meets the criteria in “e” below, a finding <b>cannot</b> be made. If the answer is “yes,” ensure that the recipient maintains documentation showing the family size and household income for the identified Low/Mod units. [24 CFR 570.208(a)(3) and 24 CFR 570.506(b)(4)(iii)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes    No    N/A
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**Describe Basis for Conclusion:**

e. If less than 51 percent of the initial occupants were low and moderate income, does the activity meet ALL of the following requirements: <ul style="list-style-type: none"> <li>i. The CDBG assistance was used to reduce the development cost of the new construction of a multi-family, non-elderly rental housing project; <b>and</b></li> <li>ii. At least 20% of the units are (or will be) occupied by low- and moderate-income households at affordable rents; <b>and</b></li> <li>iii. The proportion of the CDBG funding is not greater than the percentage of low- and moderate-income units?              Calculate compliance for “iii” above as follows:             <ul style="list-style-type: none"> <li>1. Total development cost of the activity (including CDBG funds): _____</li> <li>2. Amount of CDBG funds: _____</li> </ul> </li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes    No    N/A
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<p>3. Proportion CDBG represents of total development cost (2 ÷ 1): _____%</p> <p>4. Percentage of units in the project occupied by low- and moderate-income households: _____%</p> <p>If the percentage on line 4. is greater than or equal to the percentage on line 3., the activity meets the low- and moderate-income housing national objective under 570.208(a)(3)(i). [24 CFR 570.208(a)(3)(i) and 24 CFR 570.506(b)(4)(vi)]</p>	
<p><b>Describe Basis for Conclusion:</b></p>	

<p>f. Were the appropriate Section 8 income limits and household size used to determine the number of units initially occupied by low- and moderate-income households? [24 CFR 570.506(b)(1)]</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"><input type="checkbox"/> Yes</div> <div style="text-align: center;"><input type="checkbox"/> No</div> </div>
<p><b>Describe Basis for Conclusion:</b></p>	

9.

<p>Do the records show that multifamily housing activities have, at a minimum, been spot checked by the program participant to verify claimed levels of initial occupancy by low- and moderate-income households in each structure?</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"><input type="checkbox"/> Yes</div> <div style="text-align: center;"><input type="checkbox"/> No</div> </div>
<p><b>Describe Basis for Conclusion:</b></p>	



10.

<p>Did your inspection of the records validate the information contained in the Integrated Disbursements and Information System (IDIS ) and/or the program participant's most recently completed Consolidated Annual Performance and Evaluation Report for the activity?          [24 CFR 91.525(a)(3) and 24 CFR 570.900(b)(3)]</p>	<div> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> </div> <div>             Yes             No             N/A           </div>
<p><b>Describe Basis for Conclusion:</b></p>	